



Byron W. Hinson
Director
Rates and Regulatory Services

March 16, 2018

Ms. Jocelyn Boyd
Chief Clerk & Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Dear Ms. Boyd:

Attached are copies of the Quarterly Report for South Carolina Electric & Gas Company, Electric Retail Operations and Gas Distribution Operations, for the twelve months ended December 31, 2017.

The return on equity ("ROE") for South Carolina Electric & Gas Company's retail electric operations of 8.30% for the twelve months ended December 31, 2017, is an indicator of SCE&G's current financial condition and reflects that the Company is under earning its authorized ROE of 10.25% as approved by the Public Service Commission of South Carolina ("PSC") in Order No. 2012-951 issued in Docket No. 2012-218-E. The Total as Adjusted ROE of 8.30% reflects the earnings associated with the base retail electric business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE of 8.30% for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE of 8.30%. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

The ROE results in this report do not reflect the relief that ORS requests in Docket No. 2017-305-E. As SCE&G has previously stated in affidavits filed with this Commission, if that relief is granted, it could lead to an impairment and the related cascading events.

Sincerely,


Byron W. Hinson

cw

Attachments

c: Dawn Hipp (ORS)
Jay Jashinsky (ORS)

CERTIFICATION

I, Jimmy E. Addison, state and attest, under penalty of perjury, that the attached Quarterly Reports of Retail Electric Operations and Gas Distribution Operations are filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said reports and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



 Signature of Chief Executive Officer

Jimmy E. Addison
 Typed or Printed Name of Person Signing

Chief Executive Officer
 Title

3-15-12

 Date Signed

Subscribed and Sworn to me on this 15th of March,
 2012.



 Notary Public

My Commission Expires: 07-25-21

CERTIFICATION

I, Iris N. Griffin, state and attest, under penalty of perjury, that the attached Quarterly Reports of Retail Electric Operations and Gas Distribution Operations are filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said reports and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



 Signature of Chief Financial Officer

Iris N. Griffin
 Typed or Printed Name of Person Signing

Chief Financial Officer
 Title

3-16-18

 Date Signed

Subscribed and Sworn to me on this 15th of March,
2018.



 Notary Public

My Commission Expires: 07-25-21

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
RETAIL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED DECEMBER 31, 2017**

EXHIBIT A

DESCRIPTION	PER BOOKS ADJ. FOR REGULATORY ORDERS ⁽¹⁾ (\$) COL. A	ACCOUNTING & PRO FORMA ADJUSTMENTS (\$) COL. B	TOTAL AS ADJUSTED (\$) COL. C
<u>OPERATING REVENUES</u>	<u>2,611,119,429</u>	<u>(467,572,166)</u>	<u>2,143,547,263</u>
<u>OPERATING EXPENSES</u>			
Fuel Costs	631,607,100	-	631,607,100
Other O&M Expenses	572,298,891	(19,464,165)	552,834,726
Deprec. & Amort. Expenses	269,337,754	3,637,482	272,975,236
Taxes Other Than Income	208,740,981	5,294,347	214,035,328
Income Taxes	<u>236,874,715</u>	<u>(130,589,828)</u>	<u>106,284,887</u>
Total Operating Expenses	1,918,859,441	(141,122,164)	1,777,737,277
Operating Return	692,259,988	(326,450,002)	365,809,986
Customer Growth	2,827,015	(1,333,139)	1,493,876
Int. on Customer Deposits	<u>(1,127,281)</u>	<u>-</u>	<u>(1,127,281)</u>
Total Income for Return	<u>693,959,722</u>	<u>(327,783,141)</u>	<u>366,176,581</u>
<u>ORIGINAL COST RATE BASE</u>			
Gross Plant in Service	9,980,706,786	(262,769,794)	9,717,936,992
Reserve for Deprec.	<u>3,814,648,968</u>	<u>1,316,890</u>	<u>3,815,965,858</u>
Net Plant	6,166,057,818	(264,086,684)	5,901,971,134
CWIP	330,655,032	(83,899,190)	246,755,842
Net Deferred Debits/Credits	3,855,713,322	(3,849,618,280)	6,095,042
Accum. Def. Income Taxes	(1,452,402,615)	(2,161,246)	(1,454,563,861)
Materials & Supplies	419,863,904	13,739,831	433,603,735
Working Capital	<u>(6,809,106)</u>	<u>(2,433,021)</u>	<u>(9,242,127)</u>
Total Original Cost Rate Base	<u>9,313,078,355</u>	<u>(4,188,458,590)</u>	<u>5,124,619,765</u>
 RATE OF RETURN	 7.45%		 7.15%
RETURN ON EQUITY	8.87%		8.30%

Note ⁽¹⁾ The regulatory per books amounts shown in Column A, Per Books Adj. for Regulatory Orders reflect the following:

- a. The net investment in the nuclear project is recorded in Net Deferred Debits/Credits and has been removed from CWIP;
- b. SCE&G has reduced the amount of Net Deferred Debits/Credits by cumulative impairment charges of \$670 million which SCE&G recognized during the third and fourth quarters of 2017; and
- c. SCE&G has removed the tax impacts of these impairment charges from amounts shown here.

For information purposes only, including DSM revenues and expenses, the Total as Adjusted ROE is 8.85%

The return on equity ("ROE") for South Carolina Electric & Gas Company's retail electric operations of 8.30% for the twelve months ended December 31, 2017, is an indicator of SCE&G's current financial condition and reflects that the Company is under earning its authorized ROE of 10.25% as approved by the Public Service Commission of South Carolina ("PSC") in Order No. 2012-951 issued in Docket No. 2012-218-E. The Total as Adjusted ROE of 8.30% reflects the earnings associated with the base retail electric business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE of 8.30% for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE of 8.30%. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

The ROE results in this report do not reflect the relief that ORS requests in Docket No. 2017-305-E. As SCE&G has previously stated in affidavits filed with this Commission, if that relief is granted, it could lead to an impairment and the related cascading events.

SOUTH CAROLINA ELECTRIC & GAS COMPANY
ANNUALIZED INTEREST EXPENSE

TWELVE MONTHS ENDED DECEMBER 31, 2017

RATE BASE	\$ 9,563,967,775
LONG-TERM DEBT RATIO	<u>47.11%</u>
	\$ 4,505,585,219
AVERAGE COST OF DEBT	<u>5.86%</u>
ANNUALIZED INTEREST	\$ 264,027,294
TAX BOOK INTEREST	<u>\$ 250,985,692</u>
INTEREST ADJUSTMENT	<u>\$ 13,041,602</u>
ADJUSTMENT TO INCOME TAXES:	
STATE INCOME TAX @ 5%	\$ (652,080)
FEDERAL INCOME TAX @ 35%	<u>\$ (4,336,333)</u>
TOTAL INCOME TAX EFFECT	\$ (4,988,413)
RETAIL ELECTRIC RATE BASE PERCENTAGE	<u>97.99%</u>
	<u>\$ (4,888,055)</u>

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SOUTH CAROLINA ELECTRIC & GAS COMPANY
PLANT IN SERVICE, CONSTRUCTION WORK IN PROGRESS, AND RESERVE FOR DEPRECIATION

AT DECEMBER 31, 2017

	TOTAL PER BOOKS ADJ. FOR REGULATORY ORDERS \$	RATIOS %	ALLOCATED TO RETAIL \$
<u>ELECTRIC PLANT IN SERVICE</u>			
Production	\$ 4,706,858,398	96.83%	\$ 4,557,650,987
Transmission	\$ 1,597,292,477	96.67%	\$ 1,544,022,773
Distribution	\$ 3,282,888,427	99.99%	\$ 3,282,527,309
General	\$ 203,125,184	97.88%	\$ 198,827,553
Intangible	\$ 78,405,819	97.88%	\$ 76,746,944
Common	\$ 327,868,104	97.88%	\$ 320,931,220
TOTAL	\$ 10,196,438,409		\$ 9,980,706,786
<u>CONSTRUCTION WORK IN PROGRESS</u>			
Production	\$ 91,607,336	96.83%	\$ 88,703,384
Transmission	\$ 179,302,306	96.67%	\$ 173,322,574
Distribution	\$ 20,352,263	99.99%	\$ 20,350,024
General	\$ 2,161,207	97.88%	\$ 2,115,481
Intangible	\$ 45,267,595	97.88%	\$ 44,309,844
Common	\$ 1,893,794	97.88%	\$ 1,853,725
TOTAL	\$ 340,584,501		\$ 330,655,032
<u>RESERVE FOR DEPRECIATION</u>			
Production	\$ 2,210,492,070	96.83%	\$ 2,140,419,471
Transmission	\$ 362,089,771	96.67%	\$ 350,032,182
Distribution	\$ 1,029,365,366	99.99%	\$ 1,029,252,136
General	\$ 154,852,942	97.72%	\$ 151,317,178
Common	\$ 146,984,095	97.72%	\$ 143,628,001
TOTAL	\$ 3,903,784,244		\$ 3,814,648,968

The return on equity ("ROE") for South Carolina Electric & Gas Company's retail electric operations of 8.30% for the twelve months ended December 31, 2017, is an indicator of SCE&G's current financial condition and reflects that the Company is under earning its authorized ROE of 10.25% as approved by the Public Service Commission of South Carolina ("PSC") in Order No. 2012-951 issued in Docket No. 2012-218-E. The Total as Adjusted ROE of 8.30% reflects the earnings associated with the base retail electric business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE of 8.30% for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE of 8.30%. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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EXHIBIT A-2

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RETAIL ELECTRIC OPERATIONS

AT DECEMBER 31, 2017

<u>NET DEFERRED DEBITS/CREDITS</u>	<u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u>	<u>ACCOUNTING & PRO FORMA ADJUSTMENTS</u>	<u>TOTAL AS ADJUSTED</u>
Environmental	(360,119)		(360,119)
Wateree Scrubber Deferral - Ratebase Adj	14,406,420	-	14,406,420
FASB 106 Rate Base Reduction	(102,171,499)	(122,079)	(102,293,578)
Pension Deferral - Rate Base Adj	31,671,877	-	31,671,877
Canadys Retirement - Rate Base Adj	62,670,441	-	62,670,441
Abandoned Nuclear Units	<u>3,849,496,202</u>	<u>(3,849,496,202)</u>	<u>-</u>
TOTAL	<u>3,855,713,322</u>	<u>(3,849,618,280)</u>	<u>6,095,042</u>
<u>MATERIALS & SUPPLIES</u>			
Nuclear Fuel	242,949,014	-	242,949,014
Fossil Fuel	42,842,032	13,739,831	56,581,863
Other Materials & Supplies	<u>134,072,858</u>	<u>-</u>	<u>134,072,858</u>
TOTAL	<u>419,863,904</u>	<u>13,739,831</u>	<u>433,603,735</u>
<u>WORKING CAPITAL, OTHER THAN MATERIALS & SUPPLIES</u>			
Working Cash	115,133,636	(2,433,021)	112,700,615
Prepayments	<u>71,053,344</u>	<u>-</u>	<u>71,053,344</u>
Total Investor Advanced Funds	186,186,980	(2,433,021)	183,753,959
Less: Customer Deposits	(54,413,422)	-	(54,413,422)
Average Tax Accruals	(128,131,395)	-	(128,131,395)
Nuclear Refueling	(4,202,527)	-	(4,202,527)
Injuries & Damages	<u>(6,248,742)</u>	<u>-</u>	<u>(6,248,742)</u>
TOTAL WORKING CAPITAL	<u>(6,809,106)</u>	<u>(2,433,021)</u>	<u>(9,242,127)</u>

The return on equity ("ROE") for South Carolina Electric & Gas Company's retail electric operations of 8.30% for the twelve months ended December 31, 2017, is an indicator of SCE&G's current financial condition and reflects that the Company is under earning its authorized ROE of 10.25% as approved by the Public Service Commission of South Carolina ("PSC") in Order No. 2012-951 issued in Docket No. 2012-218-E. The Total as Adjusted ROE of 8.30% reflects the earnings associated with the base retail electric business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE of 8.30% for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE of 8.30%. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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SOUTH CAROLINA ELECTRIC & GAS COMPANY
ACCOUNTING & PRO FORMA ADJUSTMENTS
TOTAL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED DECEMBER 31, 2017

ADJ. #	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	MATERIALS & SUPPLIES	ADIT	DEFERRED DEBIT/CREDIT	WORKING CASH
1	WAGES, BENEFITS & PAYROLL TAXES		3,116,709		220,420	(166,856)	(1,109,596)							389,581
2	INCENTIVE COMPENSATION ADJUSTMENT		(881,515)		(148,052)	51,478	342,331							(110,189)
3	ANNUALIZE HEALTH CARE		2,612,162			(130,608)	(868,544)							326,520
4	REMOVE EMPLOYEE CLUBS			(135,767)		6,788	45,143	(5,555,540)	(2,185,461)	-				
5	PROPERTY RETIREMENTS							(99,842)	(99,842)					
6	REMOVE NEW NUCLEAR AMOUNTS	(430,784,468)	(12,296,946)		(2,769,624)	(20,785,895)	(138,226,201)	(266,175,602)		(86,579,203)		(2,232,000)	(3,975,520,191)	(1,537,118)
7	CWIP							66,413		(66,413)				
8	ANNUALIZE DEPRECIATION BASED ON CURRENT RATES			3,850,317		(192,516)	(1,280,230)		3,625,010					
9	ADJUST PROPERTY TAXES				8,310,903	(415,545)	(2,763,375)							
10	ANNUALIZE INSURANCE EXPENSE		(585,605)			29,280	194,714							(73,251)
11	OPEB		203,185			(10,159)	(67,559)						(125,467)	25,358
12	TAX EFFECT OF ANNUALIZED INTEREST					5,970,955	39,706,853							
13	REMOVE AMOUNTS ASSOCIATED WITH DSM	(36,787,698)	(11,840,199)		(164,331)	(1,239,158)	(8,240,403)							(1,480,000)
14	FUEL INVENTORY										14,319,782			
TOTAL		(467,572,166)	(19,672,209)	3,714,550	5,449,316	(16,882,236)	(112,266,867)	(271,764,571)	1,339,707	(86,645,616)	14,319,782	(2,232,000)	(3,975,645,658)	(2,459,026)

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SOUTH CAROLINA ELECTRIC & GAS COMPANY
ACCOUNTING & PRO FORMA ADJUSTMENTS
RETAIL ELECTRIC
OPERATING EXPERIENCE
TWELVE MONTHS ENDED DECEMBER 31, 2017

ADJ.#	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	MATERIALS & SUPPLIES	ADIT	DEFERRED DBT/CREDIT	WORKING CASH
1	WAGES, BENEFITS & PAYROLL TAXES		3,032,558		214,469	(162,351)	(1,079,637)							379,014
2	INCENTIVE COMPENSATION ADJUSTMENT		(857,714)		(144,055)	50,088	333,088							(107,214)
3	ANNUALIZE HEALTH CARE		2,541,634			(127,082)	(845,093)							317,769
4	REMOVE EMPLOYEE CLUBS			(132,667)		6,633	44,112	(5,437,998)	(2,135,580)	-				
5	PROPERTY RETIREMENTS							(97,698)	(97,536)					
6	REMOVE NEW NUCLEAR AMOUNTS	(430,784,468)	(11,964,928)		(2,746,801)	(20,803,637)	(138,344,186)	(257,298,646)		(83,834,642)		(2,161,246)	(3,849,496,201)	(1,495,616)
7	CWIP							64,548		(64,548)				
8	ANNUALIZE DEPRECIATION BASED ON CURRENT RATES			3,770,149		(188,507)	(1,253,575)		3,549,986					
9	ADJUST PROPERTY TAXES				8,135,065	(406,753)	(2,704,909)							
10	ANNUALIZE INSURANCE EXPENSE		(573,215)			28,661	190,594							(71,614)
11	OPEB		197,699			(9,885)	(65,735)						(122,079)	24,714
12	TAX EFFECT OF ANNUALIZED INTEREST					5,781,426	38,446,481							
13	REMOVE AMOUNTS ASSOCIATED WITH DSM	(36,787,698)	(11,840,199)		(164,331)	(1,239,158)	(8,240,403)							(1,480,000)
14	FUEL INVENTORY										13,739,831			
	TOTAL	(467,572,166)	(19,464,165)	3,637,482	5,294,347	(17,070,565)	(113,519,263)	(262,769,794)	1,316,890	(83,899,190)	13,739,831	(2,161,246)	(3,849,618,280)	(2,433,000)

The return on equity ("ROE") for South Carolina Electric & Gas Company's retail electric operations of 8.30% for the twelve months ended December 31, 2017, is an indicator of SCE&G's current financial condition and reflects that the Company is under earning its authorized ROE of 10.25% as approved by the Public Service Commission of South Carolina ("PSC") in Order No. 2012-951 issued in Docket No. 2012-218-E. The Total as Adjusted ROE of 8.30% reflects the earnings associated with the base retail electric business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE of 8.30% for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE of 8.30%. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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EXHIBIT B

SOUTH CAROLINA ELECTRIC & GAS COMPANY
CAPITAL STRUCTURE
AT DECEMBER 31, 2017

<u>RETAIL ELECTRIC</u>	<u>CAPITALIZATION</u>	<u>RATIO</u>	<u>EMBEDDED COST/RATE</u>	<u>OVERALL COST/RATE</u>
	\$	%	%	%
LONG-TERM DEBT	4,928,770,000	47.11	5.86	2.76
PREFERRED STOCK	100,000	0.00	0.00	0.00
COMMON EQUITY	5,532,650,380	52.89	8.30	4.39
TOTAL	<u>10,461,520,380</u>	<u>100.00</u>		<u>7.15</u>

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**SOUTH CAROLINA ELECTRIC AND GAS COMPANY
EARNINGS PER SHARE**

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

TWELVE MONTHS ENDED DECEMBER 31, 2017

NET INCOME AFTER DIV. OF PREF. STOCK	(\$185,594,092)
EARNINGS PER SHARE	(\$1.30)
AVG. NUMBER OF SHARES OUTSTANDING	142,916,917

The return on equity ("ROE") for South Carolina Electric & Gas Company's retail electric operations of 8.30% for the twelve months ended December 31, 2017, is an indicator of SCE&G's current financial condition and reflects that the Company is under earning its authorized ROE of 10.25% as approved by the Public Service Commission of South Carolina ("PSC") in Order No. 2012-951 issued in Docket No. 2012-218-E. The Total as Adjusted ROE of 8.30% reflects the earnings associated with the base retail electric business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE of 8.30% for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE of 8.30%. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

The ROE results in this report do not reflect the relief that ORS requests in Docket No. 2017-305-E. As SCE&G has previously stated in affidavits filed with this Commission, if that relief is granted, it could lead to an impairment and the related cascading events.

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RATIO OF EARNINGS TO FIXED CHARGES ¹
TWELVE MONTHS ENDED DECEMBER 31, 2017

LINE NO.		\$000's
1	EARNINGS	
2	Net Income	(363,553)
3	Losses from Equity Investees	4,620
4	Total Fixed Charges, As Below	<u>291,644</u>
5	TOTAL EARNINGS	<u>(67,289)</u>
6	FIXED CHARGES	
7	Interest on Long-Term Debt	270,876
8	Other Interest	14,152
9	Amort. Of Debt Prem. - Discount & Exp. (Net)	2,830
10	Rental Int. Portion	3,786
11	Distribution on Trust Preferred	<u>-</u>
12	TOTAL FIXED CHARGES	291,644
13	Pre-tax earnings required to pay Preference Security Dividend	<u>-</u>
14	Total Fixed Charges and Preference Security Dividend	<u>291,644</u>
15	RATIO OF EARNINGS TO FIXED CHARGES	(a) (0.23)
16	¹ - SEC COVERAGE	

The return on equity ("ROE") for South Carolina Electric & Gas Company's retail electric operations of 8.30% for the twelve months ended December 31, 2017, is an indicator of SCE&G's current financial condition and reflects that the Company is under earning its authorized ROE of 10.25% as approved by the Public Service Commission of South Carolina ("PSC") in Order No. 2012-951 issued in Docket No. 2012-218-E. The Total as Adjusted ROE of 8.30% reflects the earnings associated with the base retail electric business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE of 8.30% for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE of 8.30%. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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SOUTH CAROLINA ELECTRIC & GAS COMPANY
TOTAL GAS DISTRIBUTION - OPERATING EXPERIENCE
12 MONTHS ENDED
December, 2017

DESCRIPTION	PER BOOKS ADJ. FOR REGULATORY ORDERS	ACCOUNTING & PRO FORMA ADJUSTMENTS	TOTAL AS ADJUSTED
	COL. A	COL. B	COL. C
	\$	\$	\$
OPERATING REVENUES	407,497,900	6,858,665	414,356,565
OPERATING EXPENSES			
Cost of Gas	207,658,331		207,658,331
Other O&M Expenses	69,267,709	(124,790)	69,142,919
Deprec. & Amort. Expenses	30,068,438	963,602	31,032,040
Taxes Other Than Income	28,785,811	2,552,832	31,338,643
Income Taxes	20,059,085	1,336,825	21,395,910
State	1,292,843	174,748	1,467,591
Federal	8,896,042	1,162,076	10,058,119
Def. Inc. Taxes (Net)	9,982,800	-	9,982,800
Invest. Tax Cr. (Net)	(112,600)	-	(112,600)
Total Operating Expenses	355,839,375	4,728,468	360,567,843
Operating Return	51,658,525	2,130,197	53,788,722
Customer Growth	950,383	39,190	989,573
Int. on Cust. Deposits Net	(173,359)		(173,359)
Total Income For Return	52,435,549	2,169,387	54,604,935
ORIGINAL COST RATE BASE			
Gross Plant in Service	1,193,658,945	(600,921)	1,193,058,024
Reserve for Depr.	449,349,386	373,658	449,723,044
Net Plant	744,309,559	(974,579)	743,334,980
CWIP	11,352,377	(49)	11,352,328
Accum. Def. Income Taxes	(170,547,300)	-	(170,547,300)
Net Deferred Debits / Credits	(789,044)	(22,044)	(811,088)
Materials & Supplies	21,450,184	-	21,450,184
Working Capital	(3,831,630)	(15,599)	(3,847,229)
Total Original Cost Rate Base	601,944,145	(1,012,271)	600,931,875
RATE OF RETURN	8.71%		9.09%
RETURN ON EQUITY	11.25%		11.96%

The Total as Adjusted ROE reflects the earnings associated with the base gas business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE results in this report. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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ADJ #	DESCRIPTION	REVENUE	O&M EXPENSE	DEPREC & AMORT EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5.0%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM DEPRE	CWIP	OPEB'S	WORKING CAPITAL
1	ANNUALIZE WAGES, BENEFITS AND PAYROLL TAXES		526,642		37,245	(28,194)	(187,492)					65,830
2	INCENTIVE COMPENSATION ADJUSTMENT		(61,802)		(16,266)	3,903	25,958					(7,725)
3	REMOVE EMPLOYEE CLUBS			(14,684)		734	4,882	(600,865)	(236,371)	-		-
4	RECOGNIZE PROPERTY RETIREMENTS, DEPRECIATION RESERVES					-	-	(105)	(105)			-
5	RECOGNIZE PROPERTY ADDITIONS/ADJUSTMENTS, PLANT IN SERVICE					-	-	49		(49)		-
6	ANNUALIZE DEPRECIATION-RESERVE ADJUSTMENT			735,675		(36,784)	(244,612)		610,134			-
7	ANNUALIZE PROPERTY TAXES				2,494,727	(124,736)	(829,497)					-
8	ANNUALIZE CUSTOMER AWARENESS CAMPAIGN EXPENSES		(140,207)			7,010	46,619					(17,526)
9	ANNUALIZE HEALTH CARE EXPENSES		458,930			(22,947)	(152,594)					57,366
10	OTHER POST-EMPLOYEE BENEFITS (OPEB)		35,698			(1,785)	(11,870)				(22,044)	4,462
11	ANNUALIZE INSURANCE EXPENSE		18,501			(925)	(6,152)					2,313
12	TAX EFFECT OF ANNUALIZED INTEREST					1,397	9,292					-
13	PENSION - CURRENT EXPENSE		(962,552)			48,128	320,049					(120,319)
14	WNA AMORTIZATION			242,611	-	(12,131)	(80,668)					-
15	ANNUALIZED REVENUE INCREASE (Order No. 2017-623)	6,858,665			37,126	341,077	2,268,162					-
	TOTAL ADJUSTMENTS	6,858,665	(124,790)	963,602	2,552,832	174,748	1,162,076	(600,921)	373,658	(49)	(22,044)	(15,599)

The Total as Adjusted ROE reflects the earnings associated with the base gas business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE results in this report. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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SOUTH CAROLINA ELECTRIC & GAS COMPANY
RATE BASE DETAIL TOTAL GAS OPERATIONS
12 MONTHS ENDED
December, 2017

NET DEFERRED DEBITS/CREDITS	PER BOOKS ADJ. FOR REGULATORY ORDERS	ACCOUNTING & PRO FORMA ADJUSTMENTS	TOTAL AS ADJUSTED
	\$	\$	\$
ENVIRONMENTAL	9,074,646	0	9,074,646
PENSION DEFERRAL	(15,709,860)	0	5,765,660
FSB 106 RATE BASE REDUCTION	(15,629,950)	(22,044)	(15,651,394)
TOTAL	(789,044)	(22,044)	(811,088)
<u>MATERIALS & SUPPLIES</u>			
NATURAL GAS STORAGE	18,994,001	0	18,994,001
OTHER M&S	2,456,183	0	2,456,183
TOTAL	21,450,184	0	21,450,184
<u>WORKING CAPITAL</u>			
WORKING CASH	8,658,464	(15,599)	8,642,865
PREPAYMENTS	11,680,169	0	11,680,169
CUSTOMER DEPOSITS	(8,237,478)	0	(8,237,478)
AVERAGE TAX ACCRUALS	(14,727,639)	0	(14,727,639)
INJURIES & DAMAGES	(1,205,145)	0	(1,205,145)
TOTAL WORKING CAPITAL	(3,831,630)	(15,599)	(3,847,229)

The Total as Adjusted ROE reflects the earnings associated with the base gas business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE results in this report. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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**SUPPLEMENTAL
SCHEDULE
TO EXHIBIT A**

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY
GAS ANNUALIZED INTEREST EXPENSE
12 MONTHS ENDED
December, 2017**

RATE BASE	\$601,944,145
LONG-TERM DEBT RATIO	0.47111
	<u>\$283,575,887</u>
AVERAGE COST OF DEBT	0.0586
ANNUALIZED INTEREST	<u>\$16,617,547</u>
TAX BOOK INTEREST	\$21,685,021
INTEREST ADJUSTMENT	<u>(\$5,067,474)</u>
ADJUSTMENT TO INCOME TAXES:	
STATE INCOME TAX	<u>\$253,374</u>
FEDERAL INCOME TAX	<u>\$1,684,935</u>
TOTAL INCOME TAX EFFECT	<u>\$1,938,309</u>

The Total as Adjusted ROE reflects the earnings associated with the base gas business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE results in this report. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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**SOUTH CAROLINA ELECTRIC & GAS COMPANY
WEIGHTED COST OF CAPITAL**

	AMOUNT PER BOOKS Dec-17 (COL. 1)	CAPITALIZATION RATIO (COL. 2) %	COST OF DEBT RETURN ON EQUITY (COL. 3) %	WEIGHTED COST OF CAPITAL (COL. 4) %
LONG-TERM DEBT	4,928,770,000	47.11%	5.86%	2.76%
PREFERRED STOCK	100,000	0.00%	0.00%	0.00%
COMMON EQUITY	5,532,650,380	52.89%	11.96%	6.33%
TOTAL	10,461,520,380	100.00%		9.09%

The Total as Adjusted ROE reflects the earnings associated with the base gas business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE results in this report. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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EXHIBIT C

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY
EARNINGS PER SHARE**

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

TWELVE MONTHS ENDED DECEMBER 31, 2017

NET INCOME AFTER DIV. OF PREF. STOCK	(\$185,594,092)
EARNINGS PER SHARE	(\$1.30)
AVG. NUMBER OF SHARES OUTSTANDING	142,916,917

The Total as Adjusted ROE reflects the earnings associated with the base gas business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE results in this report. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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EXHIBIT D

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RATIO OF EARNINGS TO FIXED CHARGES ¹
TWELVE MONTHS ENDED DECEMBER 31, 2017

LINE NO.	\$000's
1 EARNINGS	
2 Net Income	(363,553)
3 Prov. For Federal & State Income Tax	-
3 Losses from Equity Investees	4,620
4 Total Fixed Charges, As Below	<u>291,644</u>
5 TOTAL EARNINGS	<u>(67,289)</u>
6 FIXED CHARGES	
7 Interest on Long-Term Debt	270,876
8 Other Interest	14,152
9 Amort. Of Debt Prem. - Discount & Exp. (Net)	2,830
10 Rental Int. Portion	3,786
11 Distribution on Trust Preferred	<u>-</u>
12 TOTAL FIXED CHARGES	291,644
13 Pre-tax earnings required to pay Preference Security Dividend	<u>-</u>
14 Total Fixed Charges and Preference Security Dividend	<u>291,644</u>
15 RATIO OF EARNINGS TO FIXED CHARGES	(a) (0.23)
16 ¹ - SEC COVERAGE	

The Total as Adjusted ROE reflects the earnings associated with the base gas business only, and consistent with prior quarterly surveillance reports, excludes the impact of revenues associated with the abandoned nuclear units, costs, and related rate base adjustments. By removing these amounts, the impact of abandonment of the nuclear units is not reflected in the Total as Adjusted ROE for the twelve months ending December 31, 2017. Moreover, the associated impairment charge and tax impacts are not reflected in the Total as Adjusted ROE results in this report. The impact of federal tax reform is also not reflected in the ROE results, but will be included in the Company's calculations after the PSC issues its order in Docket No. 2017-381-A.

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